Social Activity Report



SHIMANO

Issuance of Social Activity Report **Enhancing Corporate Value**

Offering "Captivating Products" Creating the Human Resources Needed to Support Shimano In-House Activities to Promote Cycling and Fishing Safety and Health Management

Creating Exhilarating Joy

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Issuance of Social Activity Report



The 21st century, which began with the IT revolution, is now entering a new phase. As a result of the exponential progress of digital technologies, we are now in the age of an Internet of Things (IoT), where all products and systems are linked via the Internet.

While technologies have made our daily life far more convenient than ever, many people also feel uneasy about their future, perplexed by various sorts of uncertain information, including the one that their jobs may be replaced by artificial intelligence (AI).

Meanwhile, the average life span has grown significantly, with many people living to be over 100 years old. In this environment, many people have begun to seek ways to enjoy their lives by maintaining both mental and physical health.

At Shimano, we firmly believe that our task is to continue to provide society at large with means of enjoying cycling and fishing, thereby fulfilling our mission: To promote health and happiness through the enjoyment of nature and the world around us.

In 2021, two years from now, Shimano will celebrate its centennial.

Toward this important milestone and beyond, Shimano will continue to seek creative and innovative ways of manufacturing as a development-oriented manufacturing company based in Japan. Moreover, we are determined to strive further to long remain a Value Creating Company that helps create enriched cycling and fishing cultures through the provision of "Captivating Products."

It is our sincere hope that this Social Activity Report will help deepen your understanding of Shimano.

Yozo Shimano President, SHIMANO INC.

Enhancing Corporate Value

Shimano offers what we call "Captivating Products," including bicycle components that ensure comfortable riding and ease of operation, fishing tackle products characterized by a fusion of advanced technologies and human sensitivity, and sportswear and shoes that further enhance the enjoyment of outdoor activities.

By promoting cycling and fishing, both pastimes enjoyed in natural settings, Shimano aims to help enrich the lifestyles of all users of our products.

Offering "Captivating Products" **Bicycle Components Business**

Electric assist components mainly for **Europe and North America** SHIMANO STEPS E7000/E6100/E5000 series

Electric-assisted bicycles (e-bikes) are becoming increasingly popular in Europe. To ensure that people of all ages are able to enjoy a greater variety of cycling styles using e-bikes, Shimano has launched SHIMANO STEPS, three new models of electric assist components. While the new models maintain the original features of sports bicycles, users can perceive sufficient supporting power when ascending a slope, as well as increased travel distances per battery charge.



(The picture is for City bicycles)

Flagship models of mountain bike components XTR M9100 series

After 27 years of endeavor in the research and development of the XTR series, Shimano has returned to its origins to develop totally new mountain bike racing components. The new XTR M9100 series has been designed to meet the severe requirements of various types of races, including cross country, enduro, and marathon. That these new models are going to perform well at all professional races.



Road racing components SHIMANO 105 R7000 series

Products in the SHIMANO 105 series are used in a variety of situations, ranging from daily transport to road races. In addition to incorporating the basic performance of the higherend models, the new R7000 series features improved manual operability. For example, the series adopts new levers for users with smaller hands, as well as disc brakes that offer excellent braking performance.





Fishing Tackle Business

■ Flagship model of Shimano's spinning reel STELLA

The STELLA has undergone its first model change in four years. To develop the new model, our engineers have pursued an ideal gear shape, based on thorough analyses of each respective tooth in the driving gear. In addition to smooth winding operations, the new model features reduced rattling and noise levels at the time of handle rotation. In addition, the new STELLA incorporates the latest technologies unique to Shimano, such as enhanced gear strength and waterproof performance, which together make the product worthy of its fame as the flagship model of Shimano's spinning reels.



CURADO DC and TEKOTA awarded at ICAST

Shimano displayed its new models at the International Convention of Allied Sport-fishing Trades (ICAST), the largest trade show for fishing tackle products in the world, held in Orlando, Florida. At the casting test event held on the first day, many visitors tried casting rods with Shimano's CURADO DC, featuring a new digital control brake. At the show, the CURADO DC won the Best Freshwater Reel Award, while the TEKOTA was honored with the Best Saltwater Reel Award.

Lifestyle Gear Business

Shimano's premium eyewear added to the S-PHYRE series, a high-end soft goods series

The S-PHYRE series was launched in 2016 as the high-end series of Shimano's soft goods for cycling. In 2018, eyewear was added to the product line, which comprises cycling wear, shoes, and accessories. To develop the first eyewear of the series, our development team has collaborated with a Dutch UCI World Tour team. Through the sponsorship of this team, we have successfully developed an eyewear series that ensures clear visibility regardless of weather conditions, as well as extended stress-free use—even when the product is worn all day long.



CURADO DO





Creating the Human Resources Needed to Support Shimano

Employee Education



Training program for leadership since 2015 to companies outside Japan **Learning Team Shimano Program**

Shimano believes it essential that all 50 member companies of Team Shimano throughout the world accurately understand and act according to — Shimano's corporate vision and mission. Shimano headquarters in Japan, provides managerial candidates worldwide with leadership development program. Participants in these program can learn Shimano's history and traditions in Sakai, the company's birthplace. In addition, they can discuss the various challenges the company now faces with senior management.

Moreover, the participants join projects to address challenges together with headquarters staff members. This has proved effective in building networks that transcend the framework of individual companies.



Shimano leadership since **2000** development (SLD) program

The Shimano Leadership Development (SLD) program was initiated in 2000 with the aim of fostering leadership for Team Shimano. As part of the program, we dispatch Team Shimano members to major dealers in various markets in the world. With the generous cooperation of our dealers, the dispatched members learn either as mechanics or shop assistants, while learning about their respective local markets and local cultures through firsthand experiences. In 2018, Shimano dispatched 6 members to North America and Europe.

















Shimano educational system

In line with Shimano's basic policy in human resource development, Shimano provides its employees with a basic educational program, common with many other companies. At the same time, Shimano has prepared its own original program, aimed at building employees' capacity necessary for fulfilling the tasks essential in a Value Creating Company. From a long-term perspective, Shimano takes a systematic approach to creating not only products, but also excellent human resources.

<Principal training system>

·Training programs for employees at specific career stages

Training for new employees is designed to provide the basic knowledge required of businesspersons and to promote an understanding of Shimano's business

Training for employees in their second year

The program for employees in their second year at the company is designed to deepen their understanding of the company's expectations of them and inspire them to carefully consider their career plans.

Training for developing communication abilities:

Among the 13,000 Team Shimano members, Japanese staff account for only 10%. Since language proficiency is required even for in-house communications employees are given opportunities to learn English, Chinese, and a number of other languages, Language classes focus on developing abilities to think and discuss logically, which are essential for cross-cultural communications

·Training program at dealers outside Japan:

Shimano Leadership Development (SLD): refer to P. 6.

Supporting self-development

Shimano supports employees' self-development so that each employee will engage in their tasks as a professional businessperson. Employees can take classes to develop special skills and gain the knowledge required in their business by selecting the most convenient way for them





<Training programs at individual</p> companies of Team Shimano>

Individual Team Shimano companies provide their employees with educational programs, based on Shimano's education system. Examples of such programs are described below.



Continuous implementation of employee education

In partnership with a local university and other institutes, Innovative Textiles, Inc. provides its employees with opportunities to receive professional training. In addition, the company supports employees who plan to improve their skills and build their capacities.



Cross-training programs

Innovative Textiles, Inc. transfers its employees to various in-house sections so that they can learn a range of skills. This system proved to be effective in enhancing their motivation and engagement.



Training program and orientations for new employees who have just graduated from universities since 2011

At Shimano Kunshan (China), the Human Resource Development Department organizes training program for new employees.





Shimano Academy

since 2013

The Shimano Academy is a European training program for Team Shimano members, including executives, young leaders, and new employees. All training programs are designed to promote the capacity building of Team Shimano members at different stages of their career. Through the training of individuals and teams, Shimano also seeks to develop its business and reinforce its core competences.





Training that expands horizons since 2012

Shimano Europe holds its Inspirience* Workshop each year, inviting professional guest speakers who give lectures on

various topics to European Team Shimano members

*Inspiration + Experience



since 2018



Implementation of variety of training program

Shimano Philippines organizes as many as 15 seminars each quarter to build employees' characters, as well as strengthen their business skills.



In-House Activities to Promote Cycling and Fishing Promoting the enjoyment of cycling and fishing

Fishing Competitions

119 members of Shimano Malaysia participated in a fishing competition held by Shimano Sports Recreation Club (SSRC) in

Damai, a fishing village in Johor Bahru. At the event, the members fostered friendships with other participants.





Cycling event

since 2015

Shimano Philippines Cycling Club holds in-house cycling events to promote employees' health and happiness in natural settings.





Cycling event

Shimano Sports Recreation Club (SSRC) held a treasure hunting cycling event in Pekan Nanas with the aim of developing leadership, communication abilities, creativity,

and originality. 60 staff members from Shimano Malaysia participated in this event.





Kids' fishing event

since 2011

Shimano Europe organized a fishing event for its employees' children. All participants were able to catch fish, helped by guidance from professional anglers. The com-

pany presented fishing tackle products to the children so that they would be able to continue with their new fishing hobby.





Fishing Kids' Day

since 2018

Shimano Poland organized Fishing Kids' Day event for its employees' children. The majority of the children enjoyed catching fish for the first

time in their lives.





Fishing event

since 2013

To promote a fishing culture, Shimano Kunshan(China) Fishing Club held a lure fishing event in Huagiao, Kunshan.

All 11 members who participated in the event were able to catch fish.





Cycling event

since 2005

Shimano Batam (Indonesia) held a cycling event along a 9-km course between Panbil Industrial Estate and Villa

Panbil. Every year, more than 240 employees of the company participate in this annual event.







Fishing competition since 2007

Shimano Batam holds an annual in-house fishing competition. In 2018, following a fishing seminar, 200 participants were divided into 10 teams and competed on the size of

the fish they caught, as well as the time it took to catch them.





Cycling event

since 2013

To promote a cycling culture, Shimano Kunshan Cycling Club organized a cycling tour to Qiandao Lake. 27 partici-

pants in the tour enjoyed cycling along a 95-km course.





Encouraging Bike to Work

During the Bike Commuting Month, Shimano North America encourages its employees to commute by bicycle. Employees receive training in advance concerning bicycle maintenance and safety measures. In 2018, 188 employees joined the program, traveling 4,111 miles by bicycle and saving 780 liters of gasoline.

Safety and Health Management

Building a safe and comfortable workplace environment

Based on the vision that "safety and health take precedence over any and all things," Shimano recognizes that securing the health and safety of our employees is the essential basis of sound corporate activities and cannot be replaced by anything whatsoever. With this in mind all employees are collaborating to promote industrial safety and health activities to build a safe and comfortable workplace environment.



Industrial Safety and Health Action Policy

1. Compliance with laws and regulations

The Company and all employees shall comply with laws and regulations and other requirements accepted by the Company concerning industrial safety

2. Setting of an industrial safety and health risk reduction target and the audit thereof

The Company shall set a reduction target, execute an audit on it, review the target as necessary, and improve the target continuously.

3. Reduction of industrial safety and health risks

The Company shall perform the following industrial safety and health activities taking full account of the following industrial safety and health risks of the Company arising from its business activities:

- (1) Reduction of risks in connection with the operation, maintenance. and inspection of machinery;
- (2) Reduction of risks in connection with the work environment;
- (3) Reduction of risks in connection with work activities;
- (4) Reduction of risks in connection with logistics operations; (5) Reduction of risks in connection with product testing;

- (6) Reduction of risks in connection with using VDTs (visual display terminals);
- (7) Reduction of risks in connection with traffic accidents.

4. Communication

The Company recognizes that proper securing of industrial safety and health is realized through good communications and, as such, will consult with employees fully and in good faith.

Moreover, the Company and all employees shall participate actively in administrative and social activities of the region to maintain good communications with contacts outside the Company.

5. Education and Awareness-Raising

The Company shall ensure that all employees completely understand the industrial safety and health policy, the education and training necessary for the industrial safety and health activities and the effectiveness of the industrial safety and health activities. In addition, the Company shall share and exchange necessary information for such industrial safety and health activities with related cooperative facilities within the premises.



Major initiatives to secure industrial safety and employees' health

In FY 2018, Shimano inaugurated the Specific Industrial Safety Project to prevent disasters by aligning efforts with front-line workers and to reinforce preventive activities that meet the requirements of the front line.

To raise the workplace environment to a higher safety level, we are reviewing risk evaluation standards and manufacturing / operational processes, while at the same time reinforcing safety education programs.

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Creating Exhilarating Joy

 Offering enjoyment and fun for everyone "Captivating Products" are designed to enable their users to enjoy cycling and fishing to their hearts' content. We believe it is an important part of our mission to convey the fun and excitement of cycling and fishing and to offer the opportunity to enjoy these activities to as many people as possible. With this view, we organize and support various cycling and fishing events, where people can enjoy not only outdoor activities but also friendly interactions with many other people. To introduce Shimano's commitments to creating and promoting cycling culture, this year's Social Activity Report describes the activities of the Culture Promotion Section in Bicycle Components Division.

Creating Cycling Culture — the Culture Promotion Section

Bicycles are not merely a means of transport, delivery, or speed racing. Rather, we believe that bicycles are also communication tools, which provide riders with opportunities to encounter many people and experience various events. Riding bicycles helps improve both physical and mental health, and promotes communication with others. The role of the Culture Promotion Section is to convey this value of bicycles in a wide variety of ways.

The Culture Promotion Section was established in 2014. At present, the section comprises the following three teams: Bicycle and Health Team, OVE Team, and SHIMANO SQUARE Team. The Bicycle and Health Team is engaged in scientific studies of the effect of cycling on health, while the OVE Team promotes an enriched lifestyle highlighted by the use of bicycles. The SHIMANO SQUARE Team conveys the enjoyment of urban cycling and fishing. All three teams are involved in the promotion of the value of bicycles.

Bicycles Helps You Become Healthier

Bicycles Helps Enrich Your Daily Life Bicycles Helps Reinforce Your Ties to the Community

"Healthier and More Enriched Lifestyle, Highlighted by the Use of Bicycles" The motto of the Culture Promotion Section







Supporting local governments and companies encouraging bicycle commuters

Bicycle and Health Team

OVE Team

Enhancing public recognition of the effects of cycling on health

Issuing the Cyclingood magazine

Studying and surveying specific needs of women cyclists at their respective life stages

Approaching a wide variety of customers through the management of a café and a sundries shop

Promoting a new cycling style called "sanso" ("stroll-riding")

Promoting enriched lifestyle by organizing various events

Creating cycling culture through community meetings

Approaching a wide variety of customers through the management of a café and a sundries shop

SHIMANO SQUARE Team

Displaying Shimano's products to promote customers' recognition of the advanced functions and high performance of our products

Promoting a new cycling style urban sports

Creating cycling culture through event organization

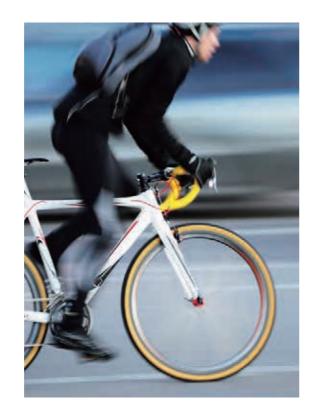


Bicycle and Health Team

Thanks to the progress of medical and other sciences, our life span is growing significantly, with many people now living to be over 100 years. In this aging society, more importance than ever is being placed on maintaining good health. The Bicycle and Health Team engages in surveys and research concerning the benefits of cycling to our health. To support people's healthy lives, the Team disseminates research outcomes through a magazine and website, and promotes bicycle commuting.

Supporting local governments and companies encouraging their staff to use bicycles to commute

The Bicycle and Health Team is committed to the promotion of bicycle commuting by supporting local governments and companies in various ways. Commuting by bicycle helps improve both physical and mental health. Enjoying cycling in daily life helps improve workers' quality of life. With this in mind, the team has prepared a program for workshop-style seminars to be held at local governments and companies. This program, titled, "Mind Switch Program for Bicycle Commuters," comprises a seminar on basic knowhow of bicycle commuting and trial rides. The program is designed to enable local governments and companies to autonomously organize seminars. For companies that have not yet established systems to promote bicycle commuting, the team has prepared models of related rules for commuters to support the introduction of such systems.





Experiments and verification of the effects of cycling on health



Issuing a magazine called Cyclingood

Shimano publishes a tabloid-size free magazine and website titled Cyclingood to help more people enjoy a healthy and enriched lifestyle highlighted by cycling. More than 25,000 copies of Cyclingood are published and distributed to readers through bicycle retailers, cafés, sundries shops, and facilities run by local municipalities. The online version illustrates healthy lifestyles highlighted by cycling and episodes of cyclists following the three themes:Health, Life, and Social. The "Health" section reveals the specific benefits of cycling to our health by publishing scientific data and interviewing researchers. The "Life" section focuses on pleasant lifestyles enriched by the use of bicycles. The "Social" section reports on the role of bicycles in community development programs and corporate activities to promote workers' health.

Studying and surveying specific needs of women cyclists at their respective life stage

To pinpoint the optimal relations between women and bicycles, the team has started studies on women cyclists and their changing life stages. Since women's needs change depending on their life stage, members of the team are exploring what is necessary to meet their specific needs at their respective life stages. In collaboration with the development team, they also determine the types of functions that meet women's needs and consider bicycle components that fulfill such functions. The team hopes to convey their views about the value of bicycles to as many women as possible and help increase the number of women cyclists.















LIFE CREATION SPACE

Promoting an Enriched Lifestyle

Life Creation Space OVE opened in 2006 in Minami-Aoyama, Tokyo. Aiming to invite a wide variety of customers, the facility comprises a café, a sundries and accessory shop, and an event space, all having been designed with the concept of offering an "Opportunity," "Value," and "Ease" of access (OVE).

OVE proposes "sanso" or riding a bicycle slowly — just like taking a stroll. The essence of sanso is to enjoy riding over a distance too long for walking, while appreciating the natural scenery of the changing seasons, scenes of cultural interest, and all the various encounters that we meet on our way. We hope this new cycling style will spread across the world and the Japanese term "sanso" will someday become understood and accepted worldwide.

In addition to weekend sanso programs, OVE organizes various events to enrich lifestyles, such as live music concerts, cooking events, hands-on art exhibitions, and talks by celebrities. Even though these events seemingly have nothing to do with bicycles, they have been planned to invite more people to sanso and cycling programs and to stimulate their interest in bicycles.

In 2014, OVE began to hold community meetings involving local governments and NGOs that are committed to promoting the use of bicycles. In these meetings, we share information on initiatives being taken in respective communities, as well as the challenges involved. OVE also holds discussions as to the best way to utilize bicycles for community development. OVE supports these organizations in their autonomous efforts to create a new cycling culture in the hope that they will continue related programs over the coming years.

Through these activities, OVE hopes to approach people who want to enrich their lifestyles but who are not particularly interested in cycling.



SHIMANO SQUARE

Urban platform for intellectual exchange and knowledge creation

In February 2017, SHIMANO SQUARE opened at Knowledge Capital, Grand Front Osaka, a large commercial complex located adjacent to Osaka Station.

SHIMANO SQUARE is designed to offer visitors opportunities to encounter both people and ideas, appreciate the value offered by Shimano, have thrilling experiences, or simply rest and relax. In the spacious café, visitors can unwind completely, while in the galleries they can gain the latest information on cycling and fishing.

In FY 2018, the number of visitors exceeded 34,000. Most of the visitors on weekdays comprise businesspersons. On weekends, about 200 people visit it daily, particularly young people and families.

In the café, which provides a relaxing and comfortable atmosphere, all foods on the menu are made from rigorously selected ingredients. In addition, some menu items are decorated with images of cycling and fishing in order to remind people of Shimano's activities. Visitors to the café can see beautiful displays in the adjacent galleries through windows arranged among the seating partitions.

The gallery space behind the café displays Shimano's flagship products and the latest models. Panels and a large screen installed there display exciting cycling and fishing scenes.

At the event space, we also hold seminars and workshops on cycling and fishing. SHIMANO SQUARE also organizes sanso and other events to be held outside the facility.

To fulfill its role as an urban platform for intellectual exchange and knowledge creation, SHIMANO SQUARE will continue to inspire ever more people to enjoy outdoor activities.



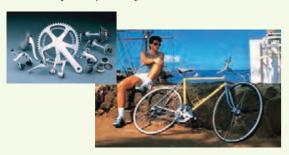
History of Shimano's Cultural Activities

For more than half a century, Shimano has been committed to creating a cycling culture. In addition to promoting new lifestyles by launching new products, we have been engaged in various cultural activities.

Creating a new cycling culture through the provision of products

Performance by design —— Santé

The Santé series was developed to promote road bicycles among the public. To introduce a new lifestyle highlighted by the use of bicycles, the development team placed the utmost priority on attractive designs, as well as excellent functionality and operability. (1986)



Easy access to mountain bike —— STX

The STX series was developed to enable cyclists to enjoy riding mountain bikes in the city. The components for the series feature both advanced functions and operability, developed under the concept of "Ride light." (1993)





Urban sports components — METREA

The Metrea series was launched to develop a new category of bicycle: urban sports bicycles. The series features designs and functions that enable riders to enjoy stylish and sporty urban cycling. (2015)



Disseminating related information through publications and events

The City Cycle promotes cycling as a fashionable activity

Shimano published a magazine, The City Cycle, to promote cycling as a popular sport and a fashionable activity. (First published in 1980)



An authentic magazine on cycle sports Les Maillots

Since little information was available in Japan concerning competitive sports cycling, the magazine, Les Maillots, was published to introduce timely information on bicycle racing

> events held outside Japan. Explanations in Japanese were added to the English articles. (First published in 1984)



Exhibition of city bicycle designs European Bicycle Design Contests

Exhibitions of potential designs of city bicycles were held in Europe. (The images below show photo albums of entries.) (1990s)



Promoting cycling through hands-on exhibitions at facilities

Encounter with bicycles — Bicycle Museum

The only museum in Japan dedicated to bicycles and cycling. In addition to displaying various types of bicycles, the museum holds events and seminars. (Opened in 1992)



Hands-on exhibition facility — Shimano Cycling World

This hands-on exhibition facility was opened in Singapore with the aim of promoting cycling culture across Southeast Asia. (Opened in 2014)



Other Activities



Fishing Café Project & Shimano TV

since 2000

The Fishing Café Project is designed to enable anglers to freely interact with one another, and to create a new fishing culture. Various topics and information on fishing are provided using the following three types of media: a magazine issued three times a year, TV programs on Sky PerfecTV! BS Fishing Vision, and a website sharing the latest information. In 2007, Shimano began a worldwide fishing channel on the website, Shimano TV. The program, accessible 24 hours a day and 365 days a year, offers useful content designed to satisfy a wide range of anglers, from beginners to experts.



Fishing channel: Shimano TV http:/tv.shimano.co.jp/

SHIMANO Racing

since 1973

Since its establishment in 1973, the Shimano Racing Team has been leading Japan's cycle races by changing its activities to meet the specific needs of the time. Over the past few years, the team has focused its efforts on developing world-class racers. In 2018, the team participated in about 60 races held both inside and outside Japan. The members have also worked to promote a cycling culture and increase the number of cycle racers in Japan.





Organizing and Supporting Various Events

Shimano organizes and supports cycling and fishing events in various parts of the world. Through these events, Shimano promotes the enjoyment of cycling and fishing not only in Japan and other Asian countries, but also in various emerging countries, particularly Brazil.

Major bicycle events (either organized or supported by Shimano)





1 Shimano Suzuka Road (Mie Prefecture, Japan)

Number of participants: about 11,000

2 SHIMANO Biker's Festival (Nagano Prefecture, Japan)

Number of participants: about 2,200

(Australia)

3 Shimano MTB Grand Prix Number of participants: about 300

Supporting the Ales for Trails since 2018

(Czech)

6 Supporting a Cycling Race

since 2018

since 1991



Shimano Dirt Play

Number of participants

since 2010 about 720

7 Grand Shimano Ride

Number of participants about 1,500 since 2017

(Brazil)

3 Shimano Fest

Number of participants:

since 2010 about 30,000



Dispatch of Technical Support Cars

Shimano dispatches technical support cars and staff to a wide-range of cycle sports events worldwide, including both top-level professional races and those for entry-level riders. Our priority is to guarantee the safety of all participants and to ensure that they all fully enjoy each event.



Fishing events (organized by Shimano)





Evans Head Fishing Classic

At the venue of the Evans Head Fishing Classic, Shimano Australia opened a kid's fishing school, to teach children how to tie fishing lines and how to catch fish. In addition, the company promoted sales of Shimano's products.



Shimano Japan Cup

Shimano organized the first Japan Cup in 1984 with the aim of offering anglers an opportunity to enjoy fishing. Currently, tournaments are held in several fishing categories in various locations across Japan. The Shimano Japan Cup is well known for its outstanding competition levels and the fairness of competing conditions, including rules and judging methods.

Other events

In addition to competitions, Shimano organizes various events to promote the enjoyment of fishing among more and more people. We will continue to work hard to further develop a fishing culture.





Taking Care of the Environment

 Cooperation in taking care of the natural, living, and product use environment

Seeking comprehensive energy conservation

Shimano is committed to energy conservation, regarding it as one of our priorities. Our factories worldwide seek to improve energy efficiency as comprehensively as possible. In addition to simply observing the laws, regulations, and guidelines of respective countries, we are working to improve energy efficiency from a holistic viewpoint by balancing the levels of energy consumption and productivity. We also hold regular meetings of the Working Group for Energy Conservation, aiming to share related information within Team Shimano companies worldwide and to introduce the outcomes of specific operations.



Shimano Kumamoto

Protecting the natural environment is the primary requisite for enjoying outdoor sports. Striving to preserve the natural setting is, of course, a basic responsibility for Shimano. With this in mind, Shimano is actively involved in cleanup campaigns for seashores and rivers, and other environmental preservation activities, in addition to improving and innovating its facilities and technologies to minimize the environmental impact from its manufacturing processes. Here we will introduce some of the energy preservation activities that Shimano is committed to on a global basis.

<Team Shimano's major energy conservation activities in FY2018>

Sakai Intelligent Plant (SIP)

SIP meticulously controlled energy efficiency on individual production lines by checking changes in energy consumption rates. As a result, SIP was able to increase its output while maintaining the same level of energy consumption as in the previous year.

Shimano Shimonoseki Factory

In 2017, when the new factory (Intelligent Plant) began its operations, the company established the Shimonoseki Factory Working Group for Energy Conservation to promote energy conservation activities. As a result, the company successfully reduced the consumption of city gas and electric power.

Shimano Kumamoto

Since 2013, Shimano Kumamoto's power consumption levels have been roughly proportional to its output levels. In FY 2019, however, it is estimated that the power consumption will decrease to 80% or below the level proportional to the output, due mainly to the replacement of lighting equipment with light-emitting diodes (LED).





Water economization project at Shimano Kunshan



Lighting efficiency improvement project at Shimano Kunshan





Replacing sodium-vapor lamps with light-emitting diodes at Shimano Czech

Shimano Kunshan (Bicycle Components)

The company continued its commitments to projects to save water and improve lighting efficiency. Both projects proved to be effective in reducing consumption of resources.

Shimano Kunshan (Fishing Tackle)

The company has automated its lighting control system and improved the water treatment system, both leading to improved energy efficiency.

Shimano Tianjin

Shimano Tianjin worked to reduce power consumption in its printing process.

Shimano Batam

Shimano Batam replaced conventional lamps with LED and installed energy meters on the production machineries to optimize power consumption.

Shimano Singapore

Shimano Singapore stored rainwater in a tank to reduce water consumption, review and reduce where required, and promot the efficient use of water in manufacturing processes. As a result, the company has significantly improved its water consumption.

Shimano Malaysia

The company was involved in programs to cut power consumption and adjust a machine control system. In addition, it provided its employees with training to promote energy conservation activities.

Shimano Czech

Shimano Czech replaced conventional lamps with lightemitting diodes and adjusted a machine control system to improve energy efficiency.



Shimano Green Plan since 2004

In 2004, Shimano adopted the Shimano Green Plan (SGP), guidelines for promoting manufacturing with reduced environmental impact. In joint efforts with its partner manufacturers, Shimano has been making constant efforts to comply with the SGP.

Reducing environmental and health impacts

The SGP is a procurement standard that Shimano has adopted with the purpose of providing its customers around the world with products that have the minimum impact on both the environment and users' health. To share our understanding of related regulations with partner manufacturers, Shimano has clarified the regulated levels of chemical substances contained in raw materials, parts, and products to be used in Shimano's own products. We have revised the SGP to meet the changing demands of the market and customers, as well as regulations that have become increasingly rigorous year by year. While seeking understanding and cooperation from partner manufacturers, Shimano's factories inspect materials and components to confirm their conformance to the SGP, by using various analyzers and asking external organizations for analyses when necessary. In this way, Shimano is striving to create the most dependable products.

Responses to laws and regulations

In line with the SGP, Shimano has been committed to controlling hazardous chemicals contained in our products. In 2018, we began to control use of phthalic esters, to prepare for the EU's new regulations concerning these materials in the RoHS Directive,* which is scheduled for July 2019. We are building an appropriate system to supply products that meet the regulations by confirming the production and delivery schedules of relevant products through collaborations among the development, procurement, delivery, and sales teams, as well as with overseas factories and partner manufacturers. Through this initiative, we have also reinforced the system to obtain the latest information on regulations, and share the information concerning specific products to be regulated within Shimano and with our partner manufacturers, aiming to systematically produce and deliver products free from regulated substances. To ensure the solid observation of regulations on chemical substances that have become increasingly rigorous, we will work to build an even more effective and efficient system to control chemical substances. *Restriction of Hazardous Substances Directive (directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment)



n-house inspection of products using an analyzer (Shimano Kunshan)



SGP seminar for employees (Shimano headquarters)

Roadmap

Currently, Shimano is at Stage 3 on the roadmap. That is, in compliance with the ninth version of the SGP, the company is working to improve the efficiency of its responses to relevant laws and regulations, and to reinforce information sharing and communications. SGP Committee members of Sakai Intelligent Plant (SIP) and factories/sales companies outside Japan are collaborating to enhance our corporate value, while maintaining close communications by leveraging web conference systems, which have proved to be effective in prompt and accurate information sharing. To share our knowledge on risk management and market information, we regularly hold seminars for staff working in sections that handle raw materials and components for which particularly rigorous control is necessary. By reinforcing ties with partner manufacturers, we will continue to work to create eco-friendly and health-conscious products.

SGP#7

Shimano Green Plan Roadmap

SGP#4.5

Establishment of the SGP system Conformance with laws and regulations [Basic requirements for corporate activities]	Enhancement of the SGP's effectiveness and compliance [Building confidence]	Optimization of the SGP Improving the efficiency of response to relevant laws and regulations Obtaining and sharing necessary information [Activities to enhance corporate value]
Stage 1	Stage 2	Stage 3
<major activities=""> Preparing and distributing SGP texts Collecting written oaths Revising the SGP in response to relevant laws and regulations Self-Check Sheet First article inspection</major>	<pre><major activities=""> Revising the Self-Check Sheet Evaluating partner manufacturers' compliance levels with the SGP Auditing partner manufacturers Generation of NC: improving compliance Distributing documents via SGP-WEB</major></pre>	<major activities=""> Improving the efficiency of response to relevant laws and regulations Reinforcing information sharing and communication Placing priority on responses to market demand</major>
Systematic activities on a global basis, led by the SGP Committee		

SGP#8

SGP#9

Initiatives to Preserve the Local Environment

<Cleanup activities>



Shimano headquarters cleanup activities

since 2001

Shimano headquarters members joined a cleanup activity held at Sakaihama Nature Restoration Beach and Sennan Satoumi Park in Osaka Prefecture. At Sakaihama Nature Restoration Beach, 114 members participated in the activity, picking up 1,260 kg of waste, while at Sennan Satoumi Park, 108 members picked up 100 kg of waste.



Shimano Shimonoseki Factory's cleanup activities since 2001

In 2018, Shimonoseki Factory carried out a cleanup activity around the factory and the street linking the factory with the nearest railway station. Ninety-three members participated in the program, picking up waste and mowing the grass.



Shimano Kumamoto's cleanup activities

since 2005

Shimano Kumamoto holds environmental campaigns every April and October. For 13 years since the factory's relocation to the present site in 2005, its members have been involved in cleanups and picking up waste as part of the campaign.



Cleanup activities on the San Juan River since 2015

Every year, staff members of Shimano Philippines clean the banks of the San Juan River, which flows through the First Philippine Industrial Park, where the company is located. This cleanup activity began to address the issue of water pollution caused by the inflow of industrial, agricultural,

and domestic wastewater. In 2018, the participants picked up about 500 kg of waste.



Sakaihama Nature Restoration Beach







<Tree-planting campaigns>



Tree planting on the 750th anniversary of Karvina City

since 2018

On the 750th anniversary of Karvina City, Shimano Czech planted trees in a park in the city together with the city government.



Tree planting programs for environmental preservation

since 2017

To preserve the local environment, Shimano Turkey continues a tree planting campaign with its customers. Members of the company planted 500 trees in 2017, and 1,000 trees in 2018.



Participation in the Million Trees Project in Inner Mongolia

since 2005

To fulfill Shimano's social responsibility, Shimano Kunshan and Shimano Tianjin(China) annually participate in the Million Trees Project, a campaign to plant one million trees in the desert of Inner Mongolia. Members of the two companies have been planting 2,000 trees annually.



Shimano Tianjin's tree-planting day since 2012

To preserve the local environment, Shimano Tianjin observes a treeplanting day. In 2018, 32 staff planted 27 trees.



Tree-planting program

since 2015

In 2015, the Singapore government began a tree-planting program to celebrate the country's 50th anniversary. Since then, Shimano Singapore has planted more than 200 trees in four different areas. In 2018, the company planted 50 trees in Bedok Reservoir Park.



Shimano Philippines' tree-planting activities

since 2018

Shimano Philippines participated in a tree-planting campaign in the First Philippine Industrial Park, where the company's factory is located.



Supporting the preservation of inland watercourses

since 2016

To protect the local environment, Shimano Australia planted 1,500 to 2,000 trees along the Macquarie and other rivers in New South Wales.



< Improving the environment >



Organizing the Capivara's Ride

since 2011

On behalf of the bicycle industry, Shimano Latin America annually holds meetings and bike rides to discuss water pollution of the Pinheiros River, which flows through the city of São Paulo. In 2018, Shimano invited private and Non Governmental Organizations to give workshops and speeches to 50 children from a poor community near Pinheiros River, regarding waste control pollution and preserving the environment.





Promoting the Earth Hour since 2016

Shimano Kunshan engaged in a PR activity for the Earth Hour campaign at Kunshan Wildhorse Sports Center. Earth Hour is a global environmental campaign to encourage all people in the world to put out the lights at the same time on the same day to display their determination to work to preserve the environment and contribute to stopping global warming.



< Initiatives to Reduce Environmental Impact >



Promoting recycling in common rooms and office space

Innovative Textiles, Inc. has installed containers to collect recyclable waste plastics, cans, and cardboards in all common rooms. In addition, boxes to collect used paper have been placed at various spots throughout the office.



Adequate wastewater treatment

since 1997

Since 1997, Shimano Kunshan has been engaged in programs to protect water sources. The company also processes wastewater at its treatment facility.



Noise control

since 1999

Shimano Kunshan has installed noise monitoring systems at its factory. The online data on noise levels is used to improve the workplace environment.



Building Confidence

Collaboration with local communities as a corporate

> As a corporate citizen, Shimano seeks to maintain close contact with respective local communities and work together with them for our mutual benefit. To this end, Team Shimano companies in various parts of the world play an active role in community activities. This year's report introduces our community activities under the following four themes: Education Program for Children; Toward the Safe and Enjoyable Use of Bicycles; Donation and Relief Activity: and Corporate Citizenship Activity.

To build confidence in Shimano, about 50 Team Shimano companies around the world are consistently and steadily involved in community activities. These companies frequently share related information and sometimes collaborate with each other to develop their respective community programs. The number of reports on these activities is increasing year by year. Here we introduce just a small sample of these activities in four sections, one each for the four themes.



Education Program Toward the Safe for Children



and Enjoyable Use of Bicycles



Donation and Relief Activity



Corporate Citizenship Activity



Education Program for Children



Shimano Junior Guide Program since 2015

Targeting aboriginal students, particularly those living on the Tiwi Islands, Shimano Australia organizes seminars and training programs to nurture local fishing guides.



Joining the Brigada Eskwela campaign

since 2016

Together with community members of the First Philippine Industrial Park, where the factory of Shimano Philippines is located, the company joined the Brigada Eskwela campaign, designed to clean and repair school facilities. In 2018, members of the company visited a local elementary school and painted its floors.



Inviting elementary school children to a factory tour

since 2014

Shimano Kunshan (China) invited local elementary school children to its factory tour to show them our bicycles components and fishing tackle products. The company also donated books and notebooks to the children.



Providing scholarships to university students in Tianjin

since 2014

Shimano Tianjin (China) offered scholarships to disadvantaged students at Tianjin Polytechnic University and Tianjin University Renai College to enable them to concentrate on their studies.



Providing scholarships

since 2017

Shimano North America offers scholarships (up to 3,000 dollars per student) to university students majoring in biology, oceanography, and studies concerning natural resources. In FY 2018, the company provided 27,000 dollars to 9 students.



Internship programs for students since 2014

In partnership with Colorado Mesa University, Innovative Textiles, Inc. organizes internship programs for students majoring in studies of personnel affairs, engineering, information technology, and accounting and finance.



Inviting university students to the company and factory tour

since 2014

To further reinforce their partnership with Colorado Mesa University, Innovative Textiles, Inc. invites students from the university on tours of the company and its factory.











Toward the Safe and Enjoyable Use of Bicycles



Offering bicycle maintenance service to children in an orphanage since 2018

To ensure that children living in an orphanage get the best from their bicycles, members of Shimano Poland and their children visited a local orphanage and provided a bicycle maintenance service. They cleaned the bicycles of the children living there, lubricated them, and replaced defective parts.



Visiting a local school

since 2018

Members of Shimano Poland visited a local school to give a talk on the evolution of bicycles, as well as the history of Shimano. They also offered both instructions and on-site training to children concerning bicycle maintenance and safe riding techniques.



Support of a cycling club 📕 in Kampala

since 2018

Shimano Benelux donated bicycle components and pre-owned cycling wear to cyclists in Kampala, Uganda (Africa) to support them in establishing and operating a local cycling club.



A gift to an 11-year-old boy to encourage him to resume cycling since 2018

Together with a local retailer, Lazer Sport offered a special helmet to an 11-year-old boy, to encourage him to resume cycling. The boy needs to wear a bone conduction type hearing aid and he had been afraid of riding again after suffering a head injury when he fell off his bicycle.



Support of CooP activities in Uganda

since 2008

In cooperation with the CooP program (aid for the poor through use of bicycles) in Uganda, the Delft University of Technology in the Netherlands is developing durable and affordable bicycle helmets using materials available in Uganda. The helmets are designed to support the safety of cyclists who have to ride under difficult traffic conditions. Lazer Sport provides both technological and financial support for this project.



Providing a maintenance service for children's bicycles in the **Road Safety Community Park**

In Singapore, more than 50,000 children a year visit the Road Safety Community Park, located at East Coast Park. They learn traffic rules while riding bicycles and go-karts or walking along simulated roads in the park. Shimano Singapore repaired and maintained 150 bicycles in the park. The service was recognized by the Singapore Police Force, which presented a plague of commendation to the company.



Building a bicycle air-pump station since 2015

Since the number of cyclists visiting the Road Safety Community Park has increased, there is a greater need for air pumps. Shimano Singapore built a bicycle air-pump station in the park and conducts periodical inspections and maintenance to ensure the bicycle pumps are in good working conditions.











Sponsoring the Pink October campaign

since 2018

Shimano Latin America sponsored a cycling event held as part of the Pink October Breast Awareness Campaign, a global campaign to promote the importance of self-checks to detect breast cancer as early as possible. The company offered all participants the support of mechanics, provided them with bicycle parking spaces, and presented them with Shimano caps. In addition, the company promoted a raffle to give away 2 free sessions of our Bikefitting. com system!



Organizing a cycling event for the visually impaired

since 2017

Shimano and the startup called BikXi (taxi service APP that uses tandem bicycles), held the second cycling event for visually-impaired people. More than 20 participants enjoyed riding tandem bicycles, the majority of whom had never ridden bicycles before. We hold this bike ride inside Shimano Fest to achieve and impact more people since persons that are not visually impaired are invited participate blind folded and thus, get the feeling of how it is to ride a bike being visually impaired.



Support for traffic safety campaigns for cyclists (YELLOW MAY)

Shimano Latin America supports traffic safety campaigns held by governments and other organizations during the global campaign month (YELLOW MAY). Specifically, the company provides mechanical support and safety instructions to cyclists riding along the bicycle lanes in São Paulo, which are used by thousands of riders each day.





Donation to the "Shop with a Cop" program

since 2013

To support the Woodland Police Station, G.Loomis donated funds to the "Shop with a Cop" program, in which children who are economically less fortunate buy special Christmas presents with police officers. Members of G.Loomis also supported the event as volunteers.



Donation to an orphanage

since 2014

Since 2014, Shimano Cambodia has been donating about 1,000 kg of rice each month to a local orphanage.



Offering winter clothing to children in Yushu City, Qinghai Province, China since 2000

To support victims of the earthquake in Qinghai, Shimano Lianyungang (China) offered winter clothing to children in Yushu City. Members of the company hope that victims will recover their normal lives as soon as possible. This valuable emergency aid also helps the victims to realize the importance of the country pulling together.











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Cooperating with the "Week of Technique" program held by a vocational school since 2016

In 2016, Shimano Czech began to offer on-site training on machine processing to students of a junior vocational school in Karvina. In addition to supporting education, the training is designed to stimulate students' interest in technology. The program may also be effective in recruiting students to the company. In 2018, the company also offered financial support to the Week of Technique program, held by the school.



Supporting a racing club in Olesna since 2018

Shimano Czech offers financial supports to a cycle racing club in Olesna.



Joining the Noble Gift program since 2015

As an annual event in the Christmas season, members of Shimano Poland participate in a Polish charity program, known as Noble Gift. In this program, the members offer presents and money to needy people.



Offering cycling wear to children involved in wars since 2018

To promote sports among children involved in wars, Shimano Benelux provided them with pre-owned running and cycling wear.



Donation to the Digest Science Foundation

since 2010

Shimano France offers repair and maintenance services at various cycling events and bicycle shows. At the end of each year, the company donates twice the amount they received from participants to the Digest Science Foundation, an organization dedicated to research on digestive diseases and nutrition. In 2018, members donated about 3,000 euros.



The "Pack to School" program

In partnership with the First Philippine Industrial Park, members of Shimano Philippines visited a local elementary school. In addition to offering stationery and other gifts to the children, the members presented a magic show to enjoy friendly interaction with the children.







Donating food to charity organizations

since 2011

Shimano Latin America donates nonperishable food contributed by visitors at Shimano Fest. In 2018, together with related NGOs, the company organized a bicycle ride program and donated around 4 tons of food to a charity organization that supports patients with cerebral palsy.



Supporting patients with muscular dystrophy

since 2017

In partnership with a related NPO, Shimano Italy supports children with muscular dystrophy and their parents. In addition to donating funds to support children who have difficulty in walking, the company supports the organizers of MTB circuit races and cycle tours for patients.



Donation to orphanages

since 2006

Members of Shimano Batam annually visit 6 orphanages in Batam to offer daily necessities.



Blood donation drive

since 2000

In partnership with a local hospital, Shimano Malaysia holds a blood donation drive. In 2018, 279 packs of blood were donated. The cumulative total since 2000 has reached 3,817 packs.















Blood donation drive

since 2016

Together with the Philippine Red Cross Society, Shimano Philippines annually holds a blood donation drive. In 2018, 49 members of the company cooperated in the drive, each offering 450 cc of blood. The company provided the participants with snacks, including baluts (fertilized duck eggs that have been boiled), which are well known for their beneficial effect on blood formation.



Blood donation drive

since 2007

In cooperation with the Indonesian Red Cross Society in Batam, Shimano Batam (Indonesia) holds blood donation drives three times a year. In 2018, a total of 379 packs of blood were donated in the three events.





Cooperation with the **Holiday Angel Tree Program**

since 2011

Together with a local volunteer group, members of G.Loomis offered Christmas presents to needy children in the region.



Cooperation with a charity organization

since 2018

Members of Shimano Taiwan visited a home for disabled children and cleaned their classrooms and the restaurant operated by the organization.



Cooperation with a charity organization

since 2018

Shimano Taiwan purchased the mooncakes made by children with mental and intellectual disabilities that are taken care by Maria Social Welfare Foundation. The mooncakes were used as gifts for the company's customers during the Mid-Autumn Festival. The company also donated funds to the Foundation.











Visiting the elderly living alone since 2018

Members of Shimano Lianyungang (China) visited elderly people living alone. In addition to offering gifts, they helped the elderly with hair dressing, house cleaning, and washing clothing.



Visiting needy children

since 2017

To support the children of needy families who do not receive sufficient education, members of Shimano Lianyungang visited them and donated school supplies.



Visiting a home for the elderly

To express thanks and offer gifts to the elderly, members of Shimano Kunshan(China) annually visit a local nursing home for the elderly shortly before the Double Ninth Festival (the ninth day of the ninth lunar month).



Visiting employees' hometowns since 2013

On behalf of employees who were unable to return home during the Mid-Autumn Festival due to the company's business, managers of Shimano Kunshan visited the employees' hometowns, expressed their gratitude to the employees' families, and gave them presents.



Organizing a fishing event for disabled children

since 2017

To provide disabled children with an opportunity to enjoy fishing, Shimano Europe held a fishing event, in which 120 children participated. Following the event, a party was held and special awards were given to the children.







Some Thoughts about the Social Activity Report 2018

In 2018, the outlook for the world economy became more uncertain due to various unpredictable factors, particularly the U.S.–China trade conflict. Although impacts of such negative factors have already become apparent in a few countries and regions, Shimano's performance has been solid since the company has operations worldwide and develops its business in the global market. Meanwhile, the progress of digitization and artificial intelligence (AI) has made people to pay keener attention to their health, along with their natural and social environments. This trend corresponds to Shimano's corporate mission: To promote health and happiness through the enjoyment of nature and the world around us.

This year's Social Activity Report reminds me of the Sustainable Development Goals (SDGs), adopted at the United Nations Summit in September 2015. All 17 goals that have been set for achievement by 2030 have their basis in respect for basic human rights. In all the four sections in this report, I found many commonalities with the 17 goals, which gave me the impression that Shimano is working to fulfill the SDGs, even though its efforts might not be perfect. I believe this corporate attitude adds a human touch to the "SHIMANO" brand, thus enhancing its corporate value.



To begin with, the basic concept of Shimano's business activities is to offer "Captivating Products." In other words, Shimano strives to make its product users excited and happy. To offer such products, however, the company must first identify users' true demands by maintaining close communications and relations with users, regarding them as essential means of offering such products and thus enhancing corporate value. Concerning the bicycle components business, this year's report introduces new models of electric assist components, the new XTR series for mountain bike racing components, and the SHIMANO 105 R7000 series for road racing components, the latter of which features improved manual operability. From among fishing tackle products, the report picks up the STELLA series, the flagship model of Shimano's spinning reels, which features enhanced gear strength and waterproof performance, as well as smooth winding operation. At the International Convention of Allied Sportfishing Trades (ICAST), the largest trade show for fishing tackle products in the world, new models of the CURADO DC won the Best Freshwater Reel Award, while the TEKOTA was honored with the Best Saltwater Reel Award. Regarding the Lifestyle Gear Business, the report focuses on the S-PHYRE series, the high-end series of Shimano's soft goods for cycling, including cycling wear, shoes, accessories, and stress-free eyewear. All of these items, designed to meet user demand, have won customers' support.

Next, Shimano is extremely keen to employee education. Since Team Shimano comprises many non-Japanese members, the company organizes the Learning Team Shimano Program for young leaders of companies outside Japan, and the Shimano Leadership Development (SLD) program, in which potential future leaders in Japan are dispatched to major dealers in North America and Europe to learn about their respective local markets. Educational programs at Shimano headquarters include training programs for employees at specific career stages, seminars for developing communication abilities, and training at dealers outside Japan. Moreover, the report introduces various educational programs of companies in the U.S., China, Europe, and the Philippines. These programs deserve high evaluation from the viewpoint of recognizing human value.

Shimano has established its industrial safety and health management system based on the vision that "safety and health take precedence over any and all things." In compliance with ISO 45001, the company has already adopted its Industrial Safety and Health Action Policy, comprising the following five items: compliance with laws and regulations, setting of an industrial safety and health risk reduction target and the audit thereof, reduction of industrial safety and health risks, communication, and educations and awareness-raising. Shimano headquarters has formed its Industrial Safety and Health Management Committee under the Central Committee on Industrial Safety and Health Management. In addition, multiple projects and working groups have been formed for individual sections, including the Specific Industrial Safety Project for the front lines. This attests to the fact that Shimano places utmost priority on creating safe and comfortable workplaces, based on respect for employees' human rights.

In "Creating Exhilarating Joy," the following three teams of the Culture Promotion Section are introduced: the Bicycle and Health Team, OVE Team, and SHIMANO SQUARE Team. While the OVE ("Opportunity," "Value," and "Ease" of access) Team promotes an enriched lifestyle highlighted by the use of bicycles, the SHIMANO SQUARE Team conveys the enjoyment of urban cycling and fishing. It is truly significant that Shimano has continued these activities for half a century, constantly offering enjoyment and fun for everyone.

Protecting the natural environment is the primary requisite for enjoying outdoor sports. Accordingly, Shimano believes that striving to preserve the natural setting is its basic responsibility. Shimano's operations worldwide not only observe relevant laws and guidelines, but also pursue high energy efficiency in an attempt to achieve optimal balance between productivity and environmental protection. Together with partner manufacturers, Shimano has been committed to controlling hazardous chemicals contained in its products in line with the Shimano Green Plan (SGP). In 2018, Shimano began controlling the use of phthalic esters, to prepare for new EU regulations concerning these materials in the RoHS Directive, which is scheduled for July 2019. At present, the company is engaged in related activities in compliance with the ninth version of SGP. Its commitment to various initiatives to preserve local environments also deserve recognition, including cleanup activities, tree-planting campaigns, wastewater treatment, and noise control.

In "Building Confidence," the report introduces Shimano's commitments to benefitting local communities under the following four themes: education programs for children, safe and enjoyable use of bicycles, donation and relief activities, and corporate citizenship activities. The first group includes training programs for local fishing guides, offered to aboriginal students living in the Tiwi Islands, Australia. A highlight of the second group is a cycling event for the visually impaired in Brazil. Concerning the third group, the report talks about continuing donations of rice to a Cambodian orphanage. In the fourth group, various activities worldwide are described, including donations of school supplies to children of needy families and visits to a home for the elderly in China.

Reading this year's report helped me understand how Shimano's business complies with the SDGs. I understand that with its exceptional products, the company offers its customers opportunities to have exciting experiences and exhilarating joy. Considering the further progress of the digital economy, however, I believe that Shimano should also engage personally with its customers and users, and provide them with means to realize the new forms of personalization or one-to-one marketing. Amid the radical changes in society and markets, I truly hope that Shimano will continue to promote its innovation as a Value Creating Company.

Toshihiko Fujie

Professor Emeritus, Chiba University of Commerce Vice Chairman, Japan Business Management Association

Team Shimano's Social Activity Policy

"To promote health and happiness through the enjoyment of nature and the world around us." Upholding this motto, all Team Shimano members commit to social activities based on the following three pillars of the company's guiding principles: "Creating Exhilarating Joy," "Taking Care of the Environment," and "Building Confidence as a Corporate Citizen."

At the same time, we believe it is important to steadily and consistently carry out programs that are suitable for Shimano. In principle, Shimano is involved social activities that are related to its business and that will contribute to the local communities concerned.



Cultural Activities that Offer Enjoyment and Fun for Everyone

Proposing ways to enrich lifestyles:

Implementing activities to enrich lifestyles highlighted by cycling and fishing

Operating facilities for learning:

Operating facilities to share a wide variety of knowledge and information, including the history and mechanism of bicycles

Promoting sports:

Holding and supporting events where visitors can enjoy firsthand experience of cycling, fishing and rowing



Improvement and Preservation of the Fields of Outdoor Activities

Natural environmen

Implementing activities to preserve and foster the natural environment, such as cleanup and tree-planting campaigns, as well as environmental education

Living environment:

Taking measures, such as noise control, energy conservation, and wastewater treatment; and improving facilities to protect the surrounding environment

Reducing the environmental impact of manufacturing processes:

Producing items friendly to people and the environment through thorough legal compliance (Shimano Green Plan) and other measures



Collaboration with Local Communities as a Corporate Citizen

Educational support:

Promoting the safety of cycling by providing opportunities to learn about how to ride a bicycle appropriately, traffic regulations, and related themes

Donations and relief activities:

Carrying out activities as a good corporate citizen, such as donating to orphanages, supporting the disabled, providing scholarships, and cooperating in blood donation drives

Contribution to local communities:

Cooperating with local communities and authorities in creating an even better environment for cycling (e.g., cooperating to improve the infrastructure) and for fishing (e.g., releasing young fish)

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